



### THE COST OF INJURIES TO EMPLOYERS: A NETS COMPENDIUM

Injuries cost employers \$181 billion annually, or \$1,540 per employee. These costs include injuries that occur on-the-job (work-related) and those that occur off-the-job. Almost one third (29%) of health-related fringe benefit costs paid by employers are generated by injuries to workers and their families. Work-related injuries are the most costly. These injuries account for three-fourths of the yearly total (\$136 billion), and over \$13,000 per injury. Off-the-job injuries comprise one-fourth of employer injury costs and 42 percent of injury fringe benefit costs. Annually, employers pay \$45 billion, or \$380 per employee for injuries incurred off-the-job.

Looking at work-related injuries shows that motor vehicle crashes cause 27 percent of work-related deaths; 5 percent of hospitalizations; and 25 percent of employee lost workday injuries. They also account for \$78,000 in costs per million vehicle-miles of travel. The costs are \$22,500 per crash.

The National Highway Traffic Safety Administration and the Centers for Disease Control funded the development of *The Cost of Injuries to Employers: A NETS Compendium* and an accompanying *Methods Supplement*, prepared by the Urban Institute, to examine the cost of motor vehicle and workplace injury incidents to employers. The Network of Employers for Traffic Safety (NETS) is a public-private partnership of America's corporate community and government leaders that is dedicated to reducing motor vehicle-related deaths and injuries among employees.

The Compendium gives employers a basis for estimating their current injury costs, provides national norms, and exams the savings achievable

through safety programs. The bottom line is that injury prevention is good business. The report has the following chapters:

#### I. Injury Incidence

- Work-related Injuries by Severity and the Portion Resulting from Motor Vehicle Crashes
- Incident Rates per Million Vehicle Miles Traveled (VMT)

#### II. Cost Categories

- Medical payments
- Wage replacement
- Workplace disruption and lost productivity
- Property damage
- Tax payments that support emergency services
- Third party payments for damages to non-employees

#### III. National Costs of Workplace Injuries (on-the-job)

- Total Injury Costs: \$158 billion a year
- Crash Injury Costs: \$36 billion a year

#### IV. Costs to Employers of Injury Incidents

- Employer Costs of All Injuries: \$181 billion a year
- Employer Costs of Workplace Injuries: \$136 billion a year
- Employer Costs of Crash Injuries (on & off the job): \$55 billion a year





**V. Savings Achieved: Case Studies**

- Lorillard Tobacco Company
- City of Alexandria, Virginia
- Indiana Bell Telephone Company

**Appendices**

1. Abbreviations Used in Tables and Figures
2. Corporate NETS Resources

**Methods Supplement**

Describes how the numbers in *The Cost of Injuries to Employers* were computed.

For additional information about this project, or for copies of *The Cost of Injuries to Employers: A NETS Compendium* or the *Methods Supplement* contact: Office of Alcohol and State Programs, NHTSA, NTS-20, 400 Seventh Street, S.W., Washington, DC 20590, (202) 366-6978.

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